

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF ) CASE NO. 2011-00200  
MCKINNEY WATER DISTRICT )

ORDER

On June 9, 2011, McKinney Water District ("McKinney District") applied to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup> Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. McKinney District purchases its water requirements from the city of Eubank ("Eubank") and the city of Stanford ("Stanford").

2. On June 27, 2011, Eubank increased its rate for wholesale water service to McKinney District.

3. Eubank's rate for wholesale water service is a three-step declining block rate. As a result of its recent rate adjustment, the second and third steps of Eubank's wholesale water rate are changing.<sup>2</sup>

4. McKinney District proposes a purchased water adjustment factor of \$0.12 per 1,000 gallons of water.

5. McKinney District proposes to adjust its rates effective July 15, 2011.

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<sup>1</sup> KRS 278.015; 807 KAR 5:068.

<sup>2</sup>

Step	Wholesale Rate Prior To 6/27/2011	Wholesale Rate As Of 6/27/2011
First 5,000 gallons	\$30.00	\$30.00
Next 5,000 gallons	\$4.50 per 1,000 gallons	\$5.00 per 1,000 gallons
Over 10,000 gallons	\$3.60 per 1,000 gallons	\$4.10 per 1,000 gallons

6. During the 12 months ending April 30, 2011, McKinney District purchased 22,373,800 gallons of water from Eubank and 110,841,000 gallons of water from Stanford. It sold 92,276,800 gallons of water during the same period.

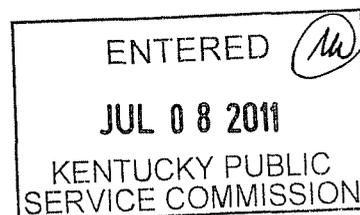
7. As shown in Appendix A of this Order, Eubank's increased wholesale rate will result in an increase of \$11,156.90 in McKinney District's cost for purchased water. This increased cost results in a purchased water adjustment factor of \$0.12 per 1,000 gallons.

8. The purchased water adjustment factor of \$0.12 per 1,000 gallons is fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. McKinney District's proposed rates are approved.
2. The purchased water adjustment factor of \$0.12 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on or after July 15, 2011.
4. McKinney's proposed tariff sheets filed with the application, showing the rates approved herein, are approved.

By the Commission



ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
 COMMISSION IN CASE NO. 2011-00200 DATED **JUL 08 2011**

Eubank			ANNUAL	NEW		OLD	
		<u>BILLS</u>	<u>GALLONS</u>	<u>RATE</u>	<u>REVENUE</u>	<u>RATE</u>	<u>REVENUE</u>
FIRST	5,000	12	60,000	\$30.00	\$360.00	\$30.00	\$360.00
NEXT	5,000		60,000	5.00	300.00	4.50	270.00
ALL OVER	10,000		<u>22,253,800</u>	4.10	<u>91,240.58</u>	<u>3.60</u>	<u>80,113.68</u>
	TOTAL		22,373,800		\$91,900.58		\$80,743.68

Stanford	New Rate	Base Rate
	No change	No change
	Increased water cost	\$11,156.90

Increased water cost	\$ 11,156.90
Divided by gallons sold	<u>92,276,800</u>
Purchased water adjustment factor	\$0.12 per 1,000 gallons

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00200 DATED JUL 08 2011

The following rates and charges are prescribed for the customers in the area served by McKinney Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

#### Monthly Water Rates

##### 5/8" x 3/4" Meter

First	1,000	gallons	\$12.58	Minimum Bill
Next	2,000	gallons	7.37	per 1,000 gallons
Next	7,000	gallons	6.04	per 1,000 gallons
Over	10,000	gallons	5.40	per 1,000 gallons

##### 1 Inch Meter

First	5,000	gallons	\$39.40	Minimum Bill
Next	5,000	gallons	6.04	per 1,000 gallons
Over	10,000	gallons	5.40	per 1,000 gallons

##### 2 Inch Meter

First	20,000	gallons	\$123.60	Minimum Bill
Over	20,000	gallons	5.40	per 1,000 gallons

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